

DEPARTMENT OF STATE REVENUE**LETTER OF FINDINGS NUMBER: 01-0043P****Income Tax****Calendar Year Ended 1998**

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ISSUE(S)**I. Tax Administration – Penalty**

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed for the year ended December 31, 1998. Taxpayer filed its original return on November 1, 1999 with a payment of \$243,375 in tax due. The late payment generated a ten percent (10%) penalty and updated interest.

Taxpayer made a \$150,000 payment on April 19, 1999 and a final payment in the amount of \$243,375 on November 1, 1999, both of which are late payments. The department assessed a late payment penalty in the amount of \$39,337.50.

I. Tax Administration – Penalty**DISCUSSION**

Taxpayer protests the penalty assessed and states the underpayment of estimated payments is due to reasonable cause and not willful neglect. Taxpayer provided several reasons for its underestimated tax payments.

The issue, however, is not the underpayment of estimated income taxes but the late payment of its tax liability. Taxpayer made estimated payments for the first three quarters but failed to remit its fourth quarter payment timely. In addition, taxpayer made a final payment in the amount of \$243,375 on November 1, 1999 that also generated a late payment penalty.

IC 6-8.1-10-2.1 (a)(2) states that if a person fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment, the person is subject to a penalty.

Taxpayer has not provided reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.